

April 6, 2005

**TO:** LAFCO  
**FROM:** Neelima Palacherla, Executive Officer *NP*  
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**SUBJECT:** Update on Island Annexation Efforts  
Agenda Item #6

## **UPDATE ON ISLAND ANNEXATION EFFORTS**

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### **LAFCO Adopted Island Annexation Policies in February 2005**

Recent changes in State law provide a two-year window of opportunity for cities to annex urban unincorporated islands through a streamlined process that does not require protest proceedings or elections, provided the island meets specific criteria and is 150 acres or less. In recent months, several cities have expressed a renewed interest in annexing the remaining islands with their boundaries. LAFCO, in recognition of cities renewed interest in island annexations and recent changes in state law, adopted Island Annexation Policies in February 2005. The policies were adopted in order to encourage cities to take advantage of this opportunity in a proactive manner.

### **Updates on Specific Tasks**

Through the adoption of Island Annexation Policies, LAFCO staff has been directed to carry out, in no particular order, the following:

- 1. Provide a 2-year LAFCO fee waiver for annexations that result in elimination of entire unincorporated islands. The fee waiver will expire on January 1, 2007.**

LAFCO's 2-year LAFCO fee waiver went into effect on February 9, 2005. As of the date of this staff report, no city has taken advantage of the waiver. However, the cities view the fee waiver as a very positive step that LAFCO has taken to reduce cities' costs and to encourage cities to annex the remaining unincorporated islands.

- 2. Collaborate with the cities and County in facilitating annexation of unincorporated urban islands.**

On March 23, 2005, LAFCO staff attended the Mayors and City Managers of West Valley Cities monthly meeting. LAFCO Commissioner Linda LeZotte, as well as mayors and city managers of the Cities of Campbell, Cupertino, Los Gatos, Monte Sereno, and Saratoga were in attendance. Brian Loventhal, City Manager for the

Town of Monte Sereno, requested that LAFCO staff attend in order to update the group on LAFCO's Island Annexation Policies, LAFCO's island annexation efforts, and LAFCO's role in encouraging cities to annex the remaining unincorporated islands.

On April 4, 2005, LAFCO staff also attended Los Gatos Town Council's Study Session on island annexations. Debra Figone, Town Manager for Los Gatos requested LAFCO staff attend the study session. Rachael Gibson, Land Use Aide for Supervisor Don Gage, also attended the study session. LAFCO staff has also spoken with city staff from San Jose, Los Altos, Los Altos Hills and Cupertino concerning island annexations.

At these two meetings, the cities requested that the County:

- Assist them with the cost of processing island annexations,
- Assist them with road improvements, and
- Address differences in development standards.

They also requested that LAFCO:

- Assist cities in developing annexation plans, gathering technical information, developing or participating in community outreach programs, and assisting in process/project management.

The LAFCO Budget Subcommittee recommended that LAFCO budget funds for this in FY05-06 Budget to assist cities in this manner. LAFCO's Proposed Budget for Fiscal Year 2005-2006 includes some funds for this purpose. LAFCO staff will continue to work with County, the cities and other interested parties to find ways to reduce the cost of processing unincorporated island annexations.

- 3. Provide information on the island annexation procedures to each of the cities. LAFCO will develop process flow charts and public hearing notice / resolution templates for cities to use. LAFCO staff will conduct workshops on island annexation process for city staff.**

LAFCO staff has held two workshops on the island annexation process for city and county staff. The workshops were held on September 24, 2004 and January 24, 2005. LAFCO staff will hold another workshop on the island annexation process before the end of the year. LAFCO staff is also available to meet with city staff or city officials in order to review the island annexation process and answer any questions they may have. LAFCO staff has also provided each city with draft maps of the unincorporated islands within their respective city's urban service area boundary. These maps were recently revised based on comments received from cities and research completed by the County Surveyor. The County Planning Office will produce the revised maps soon and LAFCO will forward the maps to each city. These maps will also be available on the LAFCO website. These maps will help cities prioritize islands for annexation.

- 4. Report to the Commission at each LAFCO meeting on the status of each city's island annexation efforts.**

The Cities of Los Gatos, Monte Sereno, Saratoga, and Los Altos are all in the process of formally exploring and/ or considering whether to pursue island annexations.

### **LAFCO's Next Steps**

As indicated above, many cities are exploring or considering whether to pursue island annexations. LAFCO staff will continue to work with cities and the County to facilitate island annexation efforts. LAFCO staff will continue to update LAFCO on LAFCO staff's, the cities', and the County's island annexation efforts.